

Title - LaSalle Bank prefers that the public entity hold the title of the financed assets, with LaSalle taking a security interest only. LaSalle will not hold the title for any moving vehicles.

Transaction Term - Terms range from 3 to 15 years for standard lease purchase transactions with non-appropriation clauses. Deals longer than 15 years need to be large enough (over \$12 million) to justify credit enhancement efforts. All assets need to be financed for a term reflecting their expected useful life and essential purpose.

Pricing/Interest Payments - LaSalle structures its third-party purchases to maintain an equitable apportionment of the margin in the transaction between LaSalle and the transaction source. LaSalle will pay interest from a date on or after the funding date. All interest earnings from escrow funds should be for the benefit of the lessee.

Escrow Agent/Trustee - LaSalle can act as an escrow agent. If LaSalle is working on a transaction that requires a trustee, the LaSalle Trust Department can provide those services.

Credit Review Requirements - LaSalle requires three years of audited financial statements, the most recent available interim statements, and the current year=s budget information. LaSalle also needs general information on the lessee, the project being financed, and why it is essential to the customer.

REFERENCES

The following cities have recently used LaSalle Bank. Please contact them to confirm that the LaSalle programs are top quality and the processing and management reflect the excellence that is a trademark of LaSalle National Leasing Corporation.

- Azusa
- Baldwin Park
- Brea
- Claremont
- Compton
- El Segundo
- Glendale
- Hermosa Beach
- Lancaster
- Monrovia
- Monterey Park
- San Diego County

For detailed information, please contact Bill Bock, First Vice President of LaSalle National Leasing Corporation, at (800) 323-0074 or bill.bock@abnamro.com.

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MUNICIPAL FINANCING

OPTIMIZE YOUR BUDGET DOLLARS
IMMEDIATE TURNAROUND
COMPETITIVE RATES
CONVENIENT PROCESSING

**LA SALLE NATIONAL
LEASING CORPORATION**

AND

**INDEPENDENT CITIES LEASE
FINANCE AUTHORITY**

ICLFA LEASE PROGRAMS

The Independent Cities Lease Finance Authority (ICLFA), in conjunction with LaSalle National Leasing Corporation, provides several financing programs to public entities. ICLFA was originated to finance equipment and capital projects for cities. As the very successful ICLFA Exempt Lease Variable Interest Securities (ELVIS) pool program proceeded, it became apparent that the pooling concept could not compete with the overall rates, turnaround time, and efficiency and effectiveness of some private programs. Therefore, ICLFA developed a formal relationship with LaSalle National Leasing Corporation, which provides qualifying public entities with extremely competitive rates and excellent turnaround times.

About LaSalle Bank

LaSalle National Leasing Corporation is a wholly owned subsidiary of LaSalle Bank National Association, the tenth largest bank in the United States with assets of \$100 billion. LaSalle Bank is owned by ABN AMRO Bank, one of the largest banks in the world with assets of \$650 billion.

LaSalle operates nationally and maintains a tax-exempt portfolio in excess of \$2 billion. LaSalle offers a wide variety of financing solutions for projects involving equipment, real property, energy management, and water/sewer improvements.

Escrow servicing is offered free of charge, with a full complement of investment options. Funds may be reinvested into the California Local Agency Investment Fund (LAIF).

Advantages Of Leasing

In some instances, newer is not always better. State and local governments have used leasing for decades as a significant means to acquire the equipment and real property essential to provide a host of public services to their constituencies. Following are some of the key advantages of leasing:

Flexibility - Gain flexibility in managing your equipment investments through the use of a variety of financing and leasing options. Payments can be structured to match changing or seasonal cash flows or to provide the most convenient repayment schedule.

Preservation of Working Capital - By financing equipment purchases, working capital and bank lines of credit can be preserved for higher and better uses of cash assets and for contingencies.

Complete Financing - Leasing typically requires no down payment and can include not only the asset cost, but also ancillary soft costs such as freight, installation, software, and training.

Optimizing Budget Dollars - Flexible financing helps to overcome capital budgetary restrictions and enables a public entity to acquire the equipment it needs but would otherwise not be able to afford. This is achieved by spreading out the cost of the equipment and capital assets over multi-year periods.

Convenience - Leasing allows public entities to acquire essential equipment and property without the delays, uncertainties, and high costs associated

with bond elections. Often, municipal laws require that multi-year financial obligations be subject to debt limitations, voter referenda, or other requirements. These costly stipulations can be avoided when a municipal lease is employed, as payments are considered current expense items payable through the normal budgetary process.

Expenses Match Benefits - Leasing can be an effective method of financing assets that are too expensive to fund from just one fiscal period but whose useful lives are too short to justify the issuance of long-term debt.

MUNICIPAL FINANCING FOR INDIRECT PURCHASES

Transaction Size - Minimum size is \$250,000 with no maximum, though the largest deal provided to date was \$22 million.

Real Property Transactions - Must be \$1 million or more and require all standard real property items, including: Phase 1 environmental reports; site lease for double the term (or mortgage/deed of trust where available); as-built appraisals; and zoning or other authorizations (a typical list of these items can be provided upon request).

Transaction Types - LaSalle Bank: 1) can fund bank-qualified, non bank-qualified, and taxable transactions; 2) can finance personal and real property; 3) can utilize revenue, general, or limited tax bonds; and 4) has extensive experience with Qualified Zone Academy Bonds.